# TABLE OF CONTENTS

Declaration ii
Certificate iii
Abstract iv
Acknowledgement vii
Table of Contents ix
List of Figures xvii
List of Tables xxi

## Chapter 1- INTRODUCTION

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>1.2</td>
<td>Supply Chain Management- An Overview</td>
<td>1</td>
</tr>
<tr>
<td>1.2.1</td>
<td>What is a Supply Chain?</td>
<td>4</td>
</tr>
<tr>
<td>1.2.2</td>
<td>Key Supply Chain Management Processes</td>
<td>4</td>
</tr>
<tr>
<td>1.2.3</td>
<td>Stages of evolving supply chain management</td>
<td>5</td>
</tr>
<tr>
<td>1.2.3.1</td>
<td>Multiple dysfunctions</td>
<td>5</td>
</tr>
<tr>
<td>1.2.3.2</td>
<td>Semi functional enterprise</td>
<td>5</td>
</tr>
<tr>
<td>1.2.3.3</td>
<td>Integrated enterprise</td>
<td>5</td>
</tr>
<tr>
<td>1.2.3.4</td>
<td>Extended enterprise</td>
<td>5</td>
</tr>
<tr>
<td>1.2.4</td>
<td>Creating Value through Supply Chain Management</td>
<td>6</td>
</tr>
</tbody>
</table>
1.2.4. 1  Financial Value 6
1.2.4 .2  Customer Value 6
1.2.4 .3  Social Value 6
1.2.5  Supply Chain Management Strategies 7
1.2.5.1  Supply chain Risk Management Strategies 7
1.2.6  The Objectives of a Supply Chain 7
1.2.7  Decision Phases in a Supply Chain 8
1.2.7.1  Supply Chain Strategy or Design 8
1.2.7.2  Supply Chain Planning 8
1.2.7.3  Supply Chain Operation 9
1.2.8  Key issues in Supply Chain Management 9
1.2.9  Globalization of the Supply Chain 10
1.3  Demand Management 10
1.4  Forecasting and Supply Chain Management 10
1.4.1  Role of Forecasting in a supply chain 12
1.4.2  The role of IT in forecasting 12
1.5  Demand Forecasting 13
1.5.1  Important Features of Demand Forecasts 13
1.5.2  Factors affecting Demand Forecast 14
1.5.3  Components of Demand Forecasting 15
1.5.3.1  Time Frame 15
1.5.3.2 Behavior and the Possible Existence of Patterns 15
1.6 Time-Critical Decision Modeling and Analysis 16
1.7 Supply Chain Networks and Inventory Control 20
1.7.1 Inventory Control 20
1.8 Characteristics of Forecasts 21
1.9 Behavior of the types of products 22
1.9.1 Fast Moving Consumer Goods (FMCG) 22
1.9.2 Slow moving Items 22
1.9.3 Understanding the market for New Products 23
1.10 Measures of Forecast Accuracy 24
1.11 Risk Management in Forecasting 25
1.12 Motivation for Research 26
1.13 Objectives of Research Work 26
1.14 Layout of the Thesis 27

Chapter 2- LITERATURE REVIEW

2.1 Introduction 28
2.2 Supply Chain Management 28
2.3 Demand Forecasting Techniques 32
2.4 Demand Forecasting for Slow Moving Items 38
2.5 Demand forecasting for New Products 42

xi
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.6</td>
<td>Forecast Accuracy Measures</td>
<td>44</td>
</tr>
<tr>
<td>2.7</td>
<td>Summary</td>
<td>46</td>
</tr>
<tr>
<td>2.8</td>
<td>Gaps in the Literature</td>
<td>47</td>
</tr>
</tbody>
</table>

Chapter 3

DEVELOPMENT OF A NEW MODEL USING DYNAMIC MEDIUM

3.1 Introduction 48
3.2 Methodology 49
3.2.1 Phase 1: Data Analysis using the techniques 49
3.2.1.1 Time Series Plots and Scatter Plots 50
3.2.1.2 Autocorrelation Functions 52
3.2.1.3 Partial Autocorrelation Functions 53
3.2.1.4 Linear and Non Linear Regression 54
3.2.2 Phase 2: Experimentation/Algorithm 56
3.2.2.1 Function: Single Exponential Smoothing 57
3.2.2.2 Function: Holts Exponential Smoothing 58
3.2.2.3 Function: Linear Regression 60
3.2.2.4 Function: Polynomial Regression 60
3.2.2.5 Function: ARIMA 61
3.3 Results and Analysis of Demand forecasting model 62
3.3.1 Output for Product A 63
3.3.2 Output for Product C 64
3.3.3 Output for Product E 65
3.3.4 Output for Product F 66
3.3.5 Output for Product G 67
3.3.6 Output for Product I 68
3.3.7 Output for Product K 69
Chapter 4

DEVELOPMENT OF A NEW MODEL FOR SLOW MOVING PRODUCTS

4.1 Introduction 72
4.2 Enhanced Probabilistic Demand Model (EPDM) 72
4.3 Demand Size Based Model (DSBM) 74
4.4 Results and analysis of Demand Forecasting model for slow moving products 75

4.4.1 Forecasted values for products having short-demand histories using Enhanced Probabilistic Demand Model (EPDM) 76
4.4.2 Forecasted values for products having long-demand histories using Enhanced Probabilistic Demand Model (EPDM) 85

4.4.3 Results for Demand Size Based Model (DSBM) 90

Chapter 5

DEVELOPMENT OF A NEW MODEL FOR SEASONAL PRODUCTS

5.1 Introduction 96
5.2 Methodology 97

5.2.1 Design of the System 97
5.2.1.1 Weighted Moving Average (WMA) 97
5.2.1.2 A. Linear Regression 98
5.2.1.2 B. Polynomial Regression 99
5.2.1.3 Simple Exponential Smoothing 100
5.2.1.4 Adjusted Exponential Smoothing (Holt’s Method) 102
Chapter 6

DEVELOPMENT OF A NEW MODEL FOR NEW PRODUCTS

6.1 Introduction 121
6.2 Methodology 122

Phase 1: - Determining the Total Demand 122
Phase 2: - Demand Forecasting 123

6.2. A Bass diffusion model 123
6.2. B Fourt- Woodlock model 124

Phase 3: - Optimization of Parameters 124

6.2. C Regression model 124
6.3 Modeling for new product forecasting 125
6.4 Results and analysis of Forecasting Model for new products 129
6.4.1 Calculation of the sale for few periods without Promotional Values 129
6.4.2 Calculation of the sale for few periods with Promotional Values 131
6.4.3 Calculation of the sale for few periods considering the repeat purchase of a Product 132
6.4.4 Calculation of the sale values by using regression equations 133

Chapter 7

DEVELOPMENT OF A NEW METHOD FOR MEASURING FORECAST ACCURACY

7.1 Introduction 135
7.2 Modified MAPE 1 137
7.3 Modified MAPE 2 137
7.4 Results and analysis of New Method for Forecast Accuracy 138

Chapter 8- CONCLUSIONS

8.1 Summary of findings and conclusions 147
8.2 Scope for future work 152
8.3 Significant Contributions to the Literature 152

References 154

List of Publications 162
## APPENDIX

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appendix A</td>
<td>163</td>
</tr>
<tr>
<td>Appendix B</td>
<td>182</td>
</tr>
<tr>
<td>Appendix C</td>
<td>187</td>
</tr>
<tr>
<td>Appendix D</td>
<td>198</td>
</tr>
</tbody>
</table>